

### **REMARKS**

In view of the above amendment, applicant believes the pending application is in condition for allowance.

Claims 10-15, 20 and 22-27 are rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 10-11, 13-14, 16, 20 and 22-25 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Litman 5,988,500 and 6,053,406. Claims 17-19 and 21 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Litman 5,988,500 and 6,053,406, as applied to claims 10-11, 13-14, 16, 20 and 22-25, in view of Dames et al. 5,614,824.

The amendments to the claims appearing herein are believed to dispose of the § 112 rejection.

According to the proposed amendment, it is now recited that the security thread is formed as a loop. This is clearly supported by Figs. 4 to 6, and description on page 7, lines 14 to 18 and page 14, lines 15 to 20. As is clearly stated on page 14, lines 14 to 18, the security thread is deformed into a ring shape, elliptical shape or 8-shape, for preventing the thread from falling off after passing through a hole of a tag in use. This feature of having such a loop shape is not disclosed or suggested by any of the cited references.

Applicant thanks the Examiner for holding a phone interview on September 14, 2006. During the interview the significance of the security thread formed as a loop was discussed. This feature is not shown in the cited prior art wherein planar strips or threads are embedded in documents. As such, the prior art security threads could not be used in applications such as that of the claimed invention, for example for article hang tags.

The Examiner understood the significance of the loop construction as compared with the prior art. However, no agreement was reached during the interview since the Examiner indicated the need to update her search and take the new limitation of a loop formation into consideration.

In view of the above, consideration and allowance are, therefore, respectfully solicited.

In the event the Examiner believes an interview might serve to advance the prosecution of this application in any way, the undersigned attorney is available at the telephone number noted below.

The Director is hereby authorized to charge any fees, or credit any overpayment, associated with this communication, including any extension fees, to CBLH Deposit Account No. 22-0185, under Order No. 21900-00021-US from which the undersigned is authorized to draw.

Dated: September 14, 2006

Respectfully submitted,

By \_\_\_\_\_/Morris Liss/\_\_\_\_\_  
Morris Liss

Registration No.: 24,510  
CONNOLLY BOVE LODGE & HUTZ LLP  
1990 M Street, N.W., Suite 800  
Washington, DC 20036  
(202) 331-7111  
(202) 293-6229 (Fax)  
Attorney for Applicant